

**GOVERNMENT OF ANDHRA PRADESH
HOME (GENERAL) DEPARTMENT
ABSTRACT**

Home Department - Attachment of Movable properties (cash) in respect of Quest-Net Enterprises India Private Limited – Under section 3 of Andhra Pradesh Protection Depositors of Financial Establishments Act, 1999– Ad-interim orders – Issued.

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HOME (GENERAL-A2)DEPARTMENT

G.O.MS.No. 59

Dated:19-05-2015

Read the following:-

1. G.O.Ms. No. 193, Home (General.B) Department, dt: 23-08-2001
2. From the Additional Director General of Police, Crime Investigation Department, A.P., Hyderabad, Lr.No.3012/ C-11/APCID/2008, Dated: 01- 04-2015.

ORDER:

Whereas, in the reference 1st read above, in exercise of the powers conferred under sub-section (1) of section 4 of the Andhra Pradesh Protection of Depositors of Financial Establishment Act, 1999 (Act.No.17 of 1999) to safeguard the interests of the depositors, Government have appointed the Additional Director General of Police, Crime Investigation Department or Inspector General of Police, C.I.D. as the case may be as "Competent Authority" under sub-section (1) of section 4 of the Andhra Pradesh Protection of Depositors of Financial Establishments Act, 1999 (Andhra Pradesh Act No.17 of 1999) to exercise control over the properties attached by the Government under section 3 of the said Act;

2. And whereas, in the reference 2nd read above, the Additional Director General of Police, Crime Investigation Department, Andhra Pradesh, Hyderabad, has reported that M/s Quest-Net Enterprises India Private Limited was registered in Chennai under the Companies Act, 1956. It is a sister concern Company of M/s Gold Quest International Private Limited located at Singapore. As per the scheme, an Independent Representative (IR), enrolls with the Company on Payment of Rs.460/- as registration fee and in addition he shall pay Rs.25,000/- to Rs.32,000/- against purchase of an article offered by the company at an exorbitant price. Such member is compelled to enroll two members in the pyramid system, so that he will get commission on the enrolment of down line members. On completing two enrolments on left and right side, the IR will get a commission of Rs.2,300/- as an incentive. Each IR will develop two teams. Each product is assigned a Unit Volume which is normally on higher side, which is nothing but money circulation in disguise. Gold medallion pack which comprises of a gold coin weighing 6 grams and silver medallion of 1 oz, costing Rs.32,000/- is of one Unit Volume (UV). If the IR ensures 6 UVs, he reaches the 1st step and gets commission of Rs.11,500/- including the incentive of Rs.2,300/-. On reaching another 6 UVs, he will complete 2nd step and get another Rs.11,500/-. If he competes, 18 UVs, the IR completes one circle. The last i.e. the 6th step, the IR becomes eligible for a "E-Voucher" worth Rs.11,500/-. On completion of a circle, the IR would get a commission of Rs.57,500/- and E-Voucher for Rs.11,500/-. The IR is governed by a balancing factor. One IR has to ensure 3 UVs on either side i.e., left & right side to achieve a step and get the first commission of Rs.11,500/- Subsequent commission will also depend on IR completing 3 UVs on either side. If one side grows unlimited and other side remains dormant, he will not be eligible to receive commission for the one side growth. If anyone in the ladder stops to enroll members, the chain will break and the IR will not get commission and consequent benefits will go to the company. The IR is eligible to receive the commission limited to 180 UVs on either side for a week. The registration fee of Rs.460/- paid by each IR is for a calendar year only. He must renew his membership annually. If a representative fails to renew his membership, he shall become inactive and shall not be entitled to enjoy any IR's rights provided for in the Policies & Procedures (P & P) of the Company.

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The Registration charges are collected by the Company without any consideration to offer and without any commitments to repay under any circumstances and hence, it is nothing but deposit.

3. Thus, the Company has a wrongful gain of Rs.120 crores approximately from the public through the above Schemes. Thus, the Company committed the offences U/s 420 IPC and sec. 4,5 & 6 r/w 2(c), and section 3 of The Prize Chits & Money Circulation Schemes (Banning) Act, 1978 and sec. 5 of the Andhra Pradesh Protection of Depositors of Financial Establishments Act, 1999.

4. The Additional Director General of Police, C.I.D. has further stated that on the complaint of Sri D. Vijaya Sekhar Reddy s/o Krishna Reddy and 2 others, a case was registered on 9-05-2008 in Cr. No. 119/2008 u/s 420, 120-B of the IPC and sec. 4, 5 & 6 of the Prize Chits & Money Circulation Schemes (Banning) Act, 1978 and sec. 5 of the Andhra Pradesh Protection of Depositors of Financial Establishments Act, 1999 in IV Town PS, Nellore. Later, it was taken over by the Crime Investigation Department

5. During the course of C.I.D. investigation, Ms. Pushpam Appala Naidu, Managing Director, Quest-Net Enterprises India Private Limited, Chennai; Sri Vijay Eswaran s/o Vijayaratnam; Sri Augustine Joseph s/o Joseph; Smt. Kamskhi Ranganadhan w/o Ranganadhan and Ms. K. Padma D/o Veeraswamy have been identified as accused, who are responsible for establishment of the above Company and collection of deposits and for selling the products with excessive cost.

6. In the circumstances reported by the Additional Director General of Police, C.I.D., Government have examined the matter carefully in accordance with the provisions of the Andhra Pradesh Protection of Depositors of Financial Establishments Act,1999 and hereby issue an ad-interim order under section 3 of the Andhra Pradesh Protection of Depositors of Financial Establishments Act,1999 for attachment of movable properties(cash) mentioned in the Annexure appended to this order in respect of Quest-Net Enterprises India Private Limited, in order to Protect the interest of the depositors of the said defaulted financial establishment.

7. The Additional Director General of Police, C.I.D., A.P., Hyderabad and Competent Authority is requested to take necessary further action in the matter accordingly as per the provisions of the said Act and the Rules made thereunder following due procedure and send compliance report to the Government.

8. This order is available on internet and can be accessed at address www.goir.ap.gov.in.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

B.PRASADA RAO
PRINCIPAL SECRETARY TO GOVERNMENT

To

The Addl. Director General of Police, CID, AP, Hyderabad

Copy to

The concerned through the Addl. DGP, CID, AP, Hyderabad.

The Commissioner & Inspector General of Registration and Stamps, AP, Hyderabad.

The Personal Secretary to Minister (Home)

The Personal Secretary to Minister (Finance)

The Special Chief Secretary to Government, Home Department.

The Law(c) Department.

//FORWARDED::BY ORDER//

SECTION OFFICER

ANNEXURE (to G.O.MS.No. 59,Home (General) Department,Dated:19.05.2015)

SI No	Name of the Bank	A/C. Holder Name & Address	A/c Number, SB/ Current A/c	Balance at the time of freezing- Rs.-ps.
(1)	(2)	(3)	(4)	(5)
1	Punjab National Bank, Annanagar, Branch, Chennai	Quest-Net Enterprises India Pvt. Ltd.	1. 1384005500340494	18,330-00
			2. 138400 DP 00004521	59,96,362-00
			3. 13.8400 DP 00004512	58,13,998-00
2	Oriental Bank of Commerce, Pandy Bazar Branch. T. Nagar, Chennai	Quest-Net Enterprises India Pvt. Ltd.	05301131000705	33,06,625-85
Total (Rupees One crore fifty one lakh thirty five thousand three hundred fifteen and paise eighty five only)				1,51,35,315-85

B.PRASADA RAO
PRINCIPAL SECRETARY TO GOVERNMENT

//FORWARDED::BY ORDER//

SECTION OFFICER